

CLASSIFICATION SECRET/CONTROL - U. S. OFFICIALS ONLY
 SECURITY INFORMATION
 CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

25X1A

REPORT NO.

COUNTRY

East Germany

DATE INFO. 1 September 1953

SUBJECT

~~Von Frankfurt, Hessen, and Frankfurt, Germany.~~
 Dresden (formerly Koch und Sterzel)

NO. OF PAGES

PLACE
ACQUIREDNO. OF ENCLS.
(LISTED BELOW)

25X1A

DATE OF
INFO.SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
 OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF
 U. S. C., 50 AND 52, AS AMENDED. ITS TRANSMISSION OR THE REVELATION
 OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-
 HIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED

THIS IS UNEVALUATED INFORMATION

SOURCE

25X1X

1. The Soviets occupied the Dresden area and the Koch und Sterzel plant on 8 May 1945. The original occupying forces were regular Red Army troops, who exercised only a physical occupation function. Not until June 1945 was the order for the dismantling of the Koch und Sterzel plant announced, together with the orders for shipment of dismantled equipment to the USSR.
2. The Dismantling Unit took over at the plant sometime in mid-summer 1945. The commanding officer of the unit was Major Bandas (fnu). Bandas was officially connected with the Soviet Military Administration in Dresden but was responsible to the SMA in Karlshorst. He had his own office in the Koch und Sterzel plant, the exact location of the office was not known to source. He installed his own staff of Soviet officials. Bandas spent most of his time at the plant, rather than at the SMA, and spent several years on the premises of Koch und Sterzel.
3. According to rumors which spread among the plant employees Bandas had been the Technical Director of a plant in the Soviet Union, and merely held a simulated military rank, rather than being a regular Army officer. Bandas was somewhere in his late 40's or early 50's; about 175 centimeters tall; robust build; appeared in uniform at the plant; spoke reasonably good German.
4. All the Soviets stationed at the Koch und Sterzel plant spoke German, some fluently, others only brokenly.
5. The first dismantling order was received at the plant in mid-June 1945, at which time it was announced that all employees would be discharged as of the end of the month. From 1 July 1945 until sometime in October 1945, the dismantling was carried out by the Soviet officials and troops of the unit headed by Bandas, who handled the physical dismantling, packing and shipment, without the presence or assistance of the former German employees.
6. During this period a new military formation headed by Manfred Koch, with its own administrative staff, took over about 20 former employees and administration staff who were left of the plant property (machines and tools). Bandas ordered all the machines had been disassembled and shipped out of the plant property. Toward the end of

25X1A

CLASSIFICATION SECRET/CONTROL - U. S. OFFICIALS ONLY

X1A

SECRET CONTROL
EYES OFFICIALS ONLY

25X1A

- 2 -

October or early November 1945, the Manfred Koch organization ordered the remaining Koch and Sterzel employees, which it had taken over, as well as those who were still in Dresden but not formally affiliated with the administrative organization, to undertake to assist with further dismantlings on a compulsory basis. The Koch and Sterzel personnel was required to assist in putting back into usable condition and in properly repacking those pieces of equipment and machinery which had originally been disassembled by the Soviet troops, shipped minus proper protection against weather, and stored out in the open in storage and collection depots. The restoration of equipment consisted mainly of de-rusting the exposed metal parts, treating them with lubricants and covering them with protective coatings of oil or grease, then properly recrating the individual pieces for shipment to the USSR. This effort was completed around the beginning or middle of December, and the dismantling of the plant was discontinued completely by the end of 1945.

Recruitment of German Scientists in the Dresden Area.

7. The recruitment of German scientific personnel began on or about 15 October 1945. With exception of Dr. Joseph Fischer, head of the transformer plant at Koch und Sterzel, no other technical or scientific personnel were recruited by the Russians from the Koch und Sterzel plant to work in the Soviet Union. Fischer had been director of the transformer plant since about 1925. He was sent to the USSR in October 1946. It was known to the employees of the plant that recruitment of technical personnel was being carried out by the NKVD, which was located in the neighborhood of the Bautzenstrasse, Dresden-Meisser Hirsch. The NKVD office was located in the restricted Soviet compound area. No further details were known to source.
8. It is not known how mail between Dr. Fischer and his relatives and acquaintances remaining in Dresden was handled while Fischer was in the USSR. Mail from Dresden was allegedly not required to be delivered to the CIA in Dresden for forwarding to the USSR.

Rebuilding of the Koch und Sterzel Plant, now VLB Transformer and Roentgenwerk, Dresden (VLB WZRO)

9. In early January 1946, following the cessation of dismantling operations, the Soviets ordered the Koch und Sterzel plant rebuilt. Their initial interest was in getting the transformer Division of the plant back into production. For this purpose some equipment was returned to the plant premises, and the initial production program was begun with the repair of transformer equipment on Soviet reparations orders. This equipment had been seized by the Soviets as reparations during the preceding year, but it was now returned to the plant in its original half-completed, or damaged form, for completion of production, assembly, and where necessary, for repair.
10. The X-Ray Division (Roentgenabteilung) of the plant was also ordered rebuilt and production ordered resumed, mainly because of the interest of the Soviet Ministry of Health in obtaining a variety of X-ray apparatus and equipment for export to the Soviet Union. The intervention by the Ministry of Health with higher Soviet authorities was believed to have been the chief reason for return to Koch und Sterzel of the necessary equipment and of the half-completed, previously dismantled apparatus which had been shipped out of the plant during the preceding six months but which had not yet been re-shipped to the Soviet Union. The completion of the dismantled apparatus was used to get the production program started. Rebuilding and completion of this equipment required a period

SECRET CONTROL
EYES OFFICIALS ONLY

- 2 -

SECRET CONTROL
U.S. OFFICIALS ONLY

- 3 -

25X1A

of approximately nine months, at the end of which time, i.e., by the fall of 1946, the Koch and Sterzel plant was sufficiently well equipped and restaffed to undertake a new production program. The costs of rebuilding, completing and repairing both the X-ray apparatus and the transformer equipment, which had previously been dismantled by the Soviets, was borne as reparations orders by the plant.

The SKTB (Soviet Construction-Technical Bureau)

11. The Soviet Special Construction-Technical Bureau (SKTB) was established at Koch and Sterzel in early 1946. Major Bamdas was at the plant at the time, and he was believed to have headed the SKTB. The SKTB had a staff of perhaps three or four Russian officials, the names of whom were not known to source. In addition, it employed about 20 German engineers and scientists, mainly specialists in electronics and former employees of the transformer plant who had been dismissed from their former jobs by the German East Zone government for political reasons. The SKTB was primarily interested in the Transformer Division of the Koch and Sterzel plant, but it also had an interest in the Materials Testing and Analysis Section of the Roentgen-Division (X-ray), which handled testing of X-ray equipment designed for the examination and testing of iron and steel. The Soviets had several of these X-ray machines on order. The SKTB used the office space of the former Transformer Works Construction Bureau.
12. The SKTB participated in the program of erecting high-voltage transformers on the premises of the former Niedervartha Lower Plant (Unterspeicherwerk) located just outside of Dresden; the premises were taken over by Koch and Sterzel for use as an assembly hall for large transformers, after the power plant had been dismantled by the Soviets. Source, who did not have entree to the Niedervartha Lower Plant nor to the Transformer Division itself, estimated that these installations were intended to handle a two million volt capacity. It was rumored among the Koch and Sterzel plant personnel that because of a lack of adequate assembly space these transformers when completed failed to meet the two million volt planned capacity. Source was of the opinion that the transformer when completed had a capacity of only approximately 1.8 million volts.
13. The Transformer Construction work at the Niedervartha Plant appeared to be the special interest of Major Bamdas, although he remained mainly in the SKTB office at the plant and had no office at Niedervartha. The only SKTB Soviet personnel stationed at the Niedervartha installation appear to have been supervisors and expeditors who were mainly interested in supervising the work to insure that the projected construction deadline would be met. They did not appear to be specialists in high-voltage equipment.

Visitors to Koch and Sterzel

14. Soviet officials who visited the Koch and Sterzel plant generally did not come into the plant itself; they remained in the offices of the administrative officials. The Soviets exercised great caution in bringing visitors into the plant proper and into contact with the German personnel. Some of the visiting officials were civilians whose exact role or function were not known to source. In later years, there were frequent visits to the plant by personnel connected with the Soviet Control Commission in Karlsruhe. The identities of such SCC officials were not known.

Reparations Deliveries by Koch and Sterzel

15. In addition to the repair work and completion of equipment construction

SECRET CONTROL
U.S. OFFICIALS ONLY

- 3 -

SECRET CONTROL
U.S. OFFICIALS ONLY

- 4 -

25X1A

carried on in 1946 by the plant against Soviet reparations orders; Koch and Sterzel made deliveries of both high voltage transformers and of X-ray apparatus to the Soviets as reparations deliveries from 1946 through 1949. Source was not informed as to the details covering the deliveries of transformers (Hochspannungsanlagen) nor with the personnel connected therewith.

16. X-ray equipment (Röntgenapparate und Maschinen) were ordered from the plant beginning in 1946, ostensibly for delivery directly to the Soviet Ministry of Health in Moscow. As far as the Technical and Commercial Heads of Koch and Sterzel were informed, they dealt with representatives of the Ministry or their delegated representatives, never having been informed of any other office or organization serving as middle-man in the transactions, with exception of the Reparations Division of the Soviet Control Commission.
17. All commercial arrangements for both the repair work done in 1946 and the subsequent new production of equipment for delivery as reparations goods were handled by the Reparations Division of the Soviet Control Commission in Karlshorst. Local G.A. (later SCC) officials in Dresden had no independent authority and were called into the picture only to administer the production program ordered by Karlshorst and to supervise and insure that the plant met stipulated delivery dates and production schedules. Details of contract terms, delivery negotiations, and the identities of the Soviet officials in Karlshorst with whom the Koch and Sterzel management dealt on these details are not known.
18. The Reparations Division offices with which the Koch and Sterzel management dealt were located within the Karlshorst Compound, although it was known that a part of the staff of this division was located in offices outside the restricted area. Source could not supply the exact address of either location. The Koch and Sterzel representatives dealt with that portion of the Reparations Division which was located in the Gymnasium Building in Karlshorst, access to which was obtained after entering the compound by proceeding on foot along Waldow Allee for two or three blocks, then turning right into a cross street in the direction of Treskow Allee. The office building was located a short distance from Waldow Allee on the right hand side of the street. The staff located in this building appeared to be divided into two sections:
 - (1) Section I: "Wirtschaftskomitee fuer Reparationen," with officer on the ground floor.
 - (2) Section II: Representatives of the Soviet Ministry of Health in the Reparations Division, who occupied offices on the second and third floors (Erste und Zweite Etage).

The Russian officer from Section II who dealt with the Koch and Sterzel representatives on the reparations delivery of X-ray apparatus, production quotas, technical specifications of the equipment, and delivery dates, was Major Martis or Parti (fnu). His office issued the actual reparations orders which also included designated delivery address for shipment from the plant. All shipments of X-ray apparatus by Koch and Sterzel were designated as being for the Soviet Ministry of Health, but

SECRET CONTROL
U.S. OFFICIALS ONLY

- 4 -

SECRET CONTROL
U.S. OFFICIALS ONLY

25X1A

- 5 -

also bore the name either of "Tekhnopromimport" or "Maschinimport."
The shipping cases were stenciled with only the following inscription:

"TEKHNOIMPORT" or "MASCHINIMPORT"

MARYAD Number _____

TRANS Number _____

19. Major Martis was tall, had black hair, and was very well mannered. He spoke very good German, but one could tell that he was not a native German. He gave the impression of a person who has spent many years in Central Europe.
20. The last orders for X-ray apparatus, when completed, were not even accepted by the GDR. After 1948, no further orders for this type of equipment were received by the firm. The Transformer Division, however, continued to receive and make deliveries against reparations orders. No further details of transformer orders were known to source.

Acceptance Personnel at Koch und Sterzel, Dresden.

21. The only Soviet acceptance official known to source to have been stationed at the plant was a Major Vassiliev (fnu), who resided in Dresden. Vassiliev was first seen in the plant in mid-1946, and he remained at Koch und Sterzel until the termination of reparations deliveries of X-ray apparatus around the end of 1948. Vassiliev appeared to be in his 40's, but actually was only in his mid-30's. He was about 180 centimeters tall; broad figure, robust build; black hair with sprinkling of grey; dark eyes; rosy complexion. He spoke very little German when he first came to the plant, but by the time he left in late 1948, he spoke German fairly fluently. He was concerned exclusively with the X-ray Division of the plant and served as the acceptance engineer for equipment produced for reparations deliveries. Although he held the rank of Major, Vassiliev sometimes wore civilian clothes. The Koch und Sterzel personnel were informed that he served as a representative of the Soviet Ministry of Health. Vassiliev dealt mainly with Herr Metz (fnu), the Koch und Sterzel purchasing agent for special orders, who handled the purchase of materials for reparations deliveries. He negotiated through the GMA, Berlin, for purchase of the materials. Vassiliev negotiated with Metz concerning the technical problems involved in acceptance of the finished equipment.

Dissolution of the KTE

22. The KTE was dissolved in mid-1949, at which time the Soviet officials of that bureau appear to have left the Koch und Sterzel plant. The German personnel was dismissed. Some of the German employees were sent to Oberschoenevide, some were transferred to the Transformatorwerk, Dresden (the former Koch und Sterzel plant itself), and the rest were scattered among other plants.

Deliveries to Wismut A.G.

23. The only known deliveries to Wismut by Koch und Sterzel were two X-ray machines built for medical purposes, which were ordered for delivery to the Wismut hospital clinic in Aue.

Present Exports.

24. Present export shipments by the X-ray Division are destined for delivery to China, Hungary, Poland, and Czechoslovakia. The last X-ray machine was delivered to the Soviet Union as of mid-August 1952.

SECRET CONTROL
U.S. OFFICIALS ONLY

- 5 -